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SENATE BILL 929

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

Timothy Z. Jennings

AN ACT

RELATING TO HIGHER EDUCATION; ENACTING THE LEGISLATIVE LOTTERY
TUITION SCHOLARSHIP ACT; PROVIDING POWERS AND DUTIES; PROVIDING
FOR ELIGIBILITY; ALLOWING FOR A SECOND CHANCE AT ELIGIBILITY;
CREATING THE LOTTERY TUITION TRUST FUND; CREATING THE
LEGISLATIVE LOTTERY TUITION SCHOLARSHIP FUND; TRANSFERRING
MONEY FROM THE GENERAL FUND TO THE LOTTERY TUITION TRUST FUND;
AMENDING, REPEALING AND ENACTING SECTIONS OF THE NMSA 1978;
MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. [NEW MATERIAL] SHORT TITLE.--Sections 1
through 6 of this act may be cited as the "Legislative Lottery
Tuition Scholarship Act".

Section 2. [NEW MATERIAL] DEFINITIONS.--As used in the
Legislative Lottery Tuition Scholarship Act:

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1 A. "department" means the higher education
2 department;

3 B. "recipient" means a student who has been awarded
4 a legislative lottery tuition scholarship; and

5 C. "secretary" means the secretary of higher
6 education.

7 Section 3. [NEW MATERIAL] LEGISLATIVE LOTTERY TUITION
8 SCHOLARSHIPS AUTHORIZED--QUALIFICATIONS.--

9 A. To the extent that funds are made available from
10 the legislative lottery tuition scholarship fund, the boards of
11 regents and governing bodies of state-supported public post-
12 secondary educational institutions shall award legislative
13 lottery tuition scholarships to qualified resident students
14 attending their respective institutions.

15 B. Except as authorized in Subsection C of this
16 section, the legislative lottery tuition scholarships shall
17 apply only to full-time resident students who, immediately upon
18 completion of a high school curriculum at a public or
19 accredited private New Mexico high school or upon receiving a
20 general educational development certificate, are accepted for
21 entrance to and attend full time a public post-secondary
22 educational institution. Each legislative lottery tuition
23 scholarship shall be awarded for no more than a total of eight
24 consecutive semesters beginning the second semester of the
25 recipient's first year of enrollment, if the recipient has

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1 maintained:

2 (1) residency in New Mexico;

3 (2) full-time student status; and

4 (3) a grade point average of 2.5 or higher on
5 a 4.0 scale during that first semester and each subsequent
6 semester.

7 C. The legislative lottery tuition scholarships
8 shall also apply to full-time resident students who:

9 (1) within one hundred twenty days of
10 completion of a high school curriculum at a public or
11 accredited private high school, or of receiving a general
12 educational development certificate, begin service in the
13 United States armed forces; and

14 (2) within one hundred twenty days of
15 completion of honorable service or medical discharge from the
16 service are accepted for entrance to and attend one of the
17 state educational institutions set forth in this section.

18 D. If a recipient loses the legislative lottery
19 tuition scholarship for failure to maintain the required grade
20 point average, the recipient may requalify for the scholarship
21 after making the required grade point average for one semester.
22 A recipient may requalify only one time.

23 E. A recipient may combine the total number of
24 eligible semesters between consecutive attendance at a two-year
25 and four-year public post-secondary educational institution.

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1 F. Legislative lottery tuition scholarships shall
2 be used only for undergraduate study. Students who have
3 received a bachelor's degree are not eligible for a legislative
4 lottery tuition scholarship.

5 G. The department shall promulgate rules setting
6 forth explicit student continuing eligibility criteria and
7 rules for administration of the legislative lottery tuition
8 scholarship program. Rules shall be distributed to the board
9 of regents or governing board of each public post-secondary
10 educational institution to enable a uniform availability of the
11 legislative lottery tuition scholarships.

12 Section 4. Section 21-1-4.4 NMSA 1978 (being Laws 1996,
13 Chapter 71, Section 4) is recompiled into the Legislative
14 Lottery Tuition Scholarship Act and is amended to read:

15 "~~COMMISSION ON HIGHER EDUCATION~~ DEPARTMENT--
16 DETERMINATION OF LEGISLATIVE LOTTERY TUITION SCHOLARSHIPS--USE
17 OF LEGISLATIVE LOTTERY TUITION SCHOLARSHIP FUND.--Prior to June
18 1 of each year, the [~~commission on higher education~~] department
19 shall determine the amount of money available for legislative
20 lottery tuition scholarships at [~~state~~] state-supported public
21 post-secondary educational institutions. Based on the amount
22 appropriated by the legislature from the legislative lottery
23 tuition scholarship fund and on the projected enrollment at all
24 public post-secondary educational institutions, the [~~commission~~
25 ~~on higher education~~] department shall establish the percentage
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1 of tuition that shall be awarded for qualified resident
2 students attending [~~New Mexico~~] state-supported public post-
3 secondary educational institutions. The percentage of tuition
4 awarded shall be the same for each institution, regardless of
5 the actual cost of tuition at each institution; provided that
6 an individual award shall not exceed the actual cost of
7 tuition."

8 Section 5. [NEW MATERIAL] LOTTERY TUITION TRUST FUND
9 CREATED--PURPOSE.--The "lottery tuition trust fund" is created
10 as a nonreverting fund in the state treasury. Money in the
11 fund shall not be expended but shall be invested by the state
12 investment council. Income earned from investment of the fund
13 shall be deposited into the legislative lottery tuition
14 scholarship fund.

15 Section 6. [NEW MATERIAL] LEGISLATIVE LOTTERY TUITION
16 SCHOLARSHIP FUND.--The "legislative lottery tuition scholarship
17 fund" is created as a nonreverting fund in the state treasury.
18 The fund consists of distributions from lottery revenue and the
19 lottery tuition trust fund, income from investment of the
20 lottery tuition scholarship fund, appropriations, gifts,
21 grants, donations and bequests. The legislative lottery
22 tuition scholarship fund shall be administered by the
23 department. Money in the legislative lottery tuition
24 scholarship fund shall be appropriated by the legislature to
25 the department for distribution to state-supported public post-

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1 secondary educational institutions to provide tuition
2 assistance for New Mexico resident undergraduates as provided
3 by law.

4 Section 7. Section 6-24-24 NMSA 1978 (being Laws 1995,
5 Chapter 155, Section 24, as amended) is amended to read:

6 "6-24-24. DISPOSITION OF REVENUE.--

7 A. As nearly as practical, an amount equal to at
8 least fifty percent of the gross annual revenues from the sale
9 of lottery tickets shall be returned to the public in the form
10 of lottery prizes.

11 B. The authority shall transmit all net revenues to
12 the state treasurer, who shall deposit them in the legislative
13 lottery tuition scholarship fund. Estimated net revenues shall
14 be transmitted monthly to the state treasurer for deposit in
15 the fund; provided that the total amount of annual net revenues
16 for the fiscal year shall be transmitted no later than August 1
17 each year.

18 C. In determining net revenues, operating expenses
19 of the lottery include all costs incurred in the operation and
20 administration of the lottery and all costs resulting from any
21 contracts entered into for the purchase or lease of goods or
22 services required by the lottery, including the costs of
23 supplies, materials, tickets, independent audit services,
24 independent studies, data transmission, advertising, promotion,
25 incentives, public relations, communications, commissions paid

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1 to lottery retailers, printing, distribution of tickets,
2 purchases of annuities or investments to be used to pay future
3 installments of winning lottery tickets, debt service and
4 payment of any revenue bonds issued, contingency reserves,
5 transfers to the reserve fund and any other necessary costs
6 incurred in carrying out the provisions of the New Mexico
7 Lottery Act.

8 D. An amount up to two percent of the gross annual
9 revenues shall be set aside as a reserve fund to cover bonuses
10 and incentive plans for lottery retailers, special promotions
11 for retailers, purchasing special promotional giveaways,
12 sponsoring special promotional events, compulsive gambling
13 rehabilitation and such other purposes as the board deems
14 necessary to maintain the integrity and meet the revenue goals
15 of the lottery. The board shall report annually to the
16 governor and each regular session of the legislature on the use
17 of the money in the reserve fund. Any balance in excess of
18 fifty thousand dollars (\$50,000) at the end of any fiscal year
19 shall be transferred to the legislative lottery tuition
20 scholarship fund."

21 Section 8. Section 21-13-10 NMSA 1978 (being Laws 1963,
22 Chapter 17, Section 9, as amended) is amended to read:

23 "21-13-10. BOARD DUTIES.--

24 A. It is the duty of the community college board to
25 determine financial and educational policies of the community

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1 college. The community college board shall provide for the
2 management of the community college and execution of these
3 policies by selecting a competent president for the community
4 college, and, upon the president's recommendation, the board
5 shall employ other administrative personnel, instructional
6 staff or other personnel as may be needed for the operation,
7 maintenance and administration of the community college.

8 B. The community college board shall have the power
9 to fix tuition and fee rates for resident and nonresident
10 students of the community college district, to accept gifts, to
11 accept federal aid, to purchase, hold, sell and rent property
12 and equipment and to promote the general welfare of the
13 institution for the best interest of educational service to the
14 people of the community college district.

15 ~~[C. To the extent that funds are made available by~~
16 ~~the legislature from the lottery tuition fund, the community~~
17 ~~college board shall award tuition scholarships for qualified~~
18 ~~resident students attending their respective institutions.~~

19 ~~D. The tuition scholarships authorized in this~~
20 ~~section shall apply only to full-time resident students who,~~
21 ~~immediately upon completion of a high school curriculum at a~~
22 ~~public or accredited private New Mexico high school or upon~~
23 ~~receiving a graduate equivalent diploma, are accepted for~~
24 ~~entrance to and attend a community college. Each tuition~~
25 ~~scholarship shall be awarded for up to two consecutive years~~

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1 ~~beginning the second semester of the recipient's first year of~~
2 ~~enrollment, provided that the recipient has maintained~~
3 ~~residency in New Mexico and maintained a grade point average of~~
4 ~~2.5 or higher on a 4.0 scale during his first semester of full-~~
5 ~~time enrollment.~~

6 E. ~~The commission on higher education shall prepare~~
7 ~~guidelines setting forth explicit student continuing~~
8 ~~eligibility criteria and guidelines for administration of the~~
9 ~~tuition scholarship program. Guidelines shall be distributed~~
10 ~~to community college boards to enable a uniform availability of~~
11 ~~the resident student tuition scholarships.]"~~

12 Section 9. Section 21-16-10 NMSA 1978 (being Laws 1968,
13 Chapter 59, Section 3, as amended) is amended to read:

14 "21-16-10. APPROPRIATION--DISTRIBUTION.--

15 A. The [~~commission on~~] higher education department
16 shall recommend an appropriation for each technical and
17 vocational institute based upon its financial requirements in
18 relation to its authorized program and its available funds from
19 non-general fund sources; provided, the recommended
20 appropriation shall be an amount not less than three hundred
21 twenty-five dollars (\$325) for each full-time-equivalent
22 student.

23 B. The [~~commission on~~] higher education department
24 shall by rule provide for the method for calculating the number
25 of full-time-equivalent students in technical and vocational

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1 institutes. No student shall be included in any calculation of
2 the number of full-time-equivalent students if the student is
3 enrolled in a course, the cost of which is totally reimbursed
4 from federal, state or private sources. The public school
5 district shall transfer to the technical and vocational
6 institute the tuition and fees for any student who, during the
7 term, is counted in the membership of the public school
8 district and will receive high school credit for coursework at
9 the technical and vocational institute.

10 C. The [~~commission on~~] higher education department
11 shall not recommend an appropriation greater than three hundred
12 twenty-five dollars (\$325) for each full-time-equivalent
13 student for any technical and vocational institute that levies
14 a tax at a rate less than two dollars (\$2.00), unless a lower
15 amount is required by operation of the rate limitation
16 provisions of Section 7-37-7.1 NMSA 1978 upon a rate approved
17 by the electors of at least two dollars (\$2.00) on each one
18 thousand dollars (\$1,000) of net taxable value, as that term is
19 defined in the Property Tax Code, or any technical and
20 vocational institute that reduces a previously authorized tax
21 levy, except as required by the operation of the rate
22 limitation provisions of Section 7-37-7.1 NMSA 1978.

23 D. The board may establish and grant gratis
24 scholarships to students who are residents of New Mexico in an
25 amount not to exceed the matriculation fee or tuition and fees,

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1 or both. The gratis scholarships are in addition to the
2 legislative lottery tuition scholarships authorized in [~~Section~~
3 ~~21-16-10.1 NMSA 1978~~] the Legislative Lottery Tuition
4 Scholarship Act and shall be granted to the full extent of
5 available funds before legislative lottery tuition scholarships
6 are granted. The number of scholarships established and
7 granted pursuant to this subsection shall not exceed three
8 percent of the preceding fall semester enrollment in the
9 technical and vocational institute and shall not be established
10 and granted for summer sessions. The president of the
11 technical and vocational institute shall select and recommend
12 to the board as recipients of scholarships students who possess
13 good moral character and satisfactory initiative, scholastic
14 standing and personality. At least thirty-three and one-third
15 percent of the gratis scholarships established and granted by
16 the board each year shall be granted on the basis of financial
17 need."

18 Section 10. TRANSFER FROM GENERAL FUND TO LOTTERY TUITION
19 TRUST FUND.--One hundred million dollars (\$100,000,000) shall
20 be transferred from the general fund to the lottery tuition
21 trust fund prior to the end of fiscal year 2007.

22 Section 11. REPEAL.--Sections 6-24-23, 21-1-4.3 and
23 21-16-10.1 NMSA 1978 (being Laws 1995, Chapter 155, Section 23
24 and Laws 1996, Chapter 71, Sections 3 and 6, as amended) are
25 repealed.

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